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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/678,476	10/03/2003	Michael W. Smith	GAR-101	3350
20028	7590	06/24/2008	EXAMINER	
Lipsitz & McAllister, LLC 755 MAIN STREET MONROE, CT 06468			PATS, JUSTIN	
			ART UNIT	PAPER NUMBER
			3623	
			MAIL DATE	DELIVERY MODE
			06/24/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/678,476	Applicant(s) SMITH ET AL.
	Examiner JUSTIN M. PATS	Art Unit 3623

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 October 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-60 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-60 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 03 October 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) ☒ Notice of References Cited (PTO-892) | 4) ☐ Interview Summary (PTO-413) |
| 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) ☒ Information Disclosure Statement(s) (PTO/SB/08) | 5) ☐ Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>12/17/03, 5/25/04, 8/30/04</u> | 6) ☐ Other: _____ |

DETAILED ACTION

Notice to Applicant

1. The following is a non-final, first office action responsive to applicant's communication of 10/03/03. Claims 1–60 are pending in this application and have been rejected below.

Information disclosure sheets (IDS) filed 12/17/03, 5/25/04, and 8/30/04 have been considered.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claim 1 is directed to non-statutory subject matter because it fails to meet the legal requirements of a 'process'. The first step in determining whether a claim recites patent eligible subject matter is to determine whether the claim falls within one of the four statutory categories of invention recited in 35 U.S.C. § 101: a process, machine, manufacture and composition of matter. The latter three categories define "things" or "products," while a "process" consists of a series of steps or acts to be performed. For the purposes of § 101, federal case precedent has given a "process" a specialized, and limited meaning. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876). A § 101 process must either (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process under § 101. Here, claim 114 merely divides, establishes, and calculates data. These process steps are not tied to another statutory class, nor is there a transformation of the data pertinent to the claim. Thus, the method of claim 1 is not a patent eligible process under § 101.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1–58 are rejected under 35 U.S.C. 103(a) as being unpatentable over a public use of SCOR metrics, as evidenced by Bolstorff, *How does SCOR measure up? A user perspective on SCOR metrics*, Supply Chain Technology News, March 2002, pg. 22–25. (see attached PTO-892, reference U) in view of Frei and Harker, *Measuring aggregate process performance using AHP*, European Journal of Operation Research 116 (1999) 436–442 [hereinafter Frei]. (see attached PTO-892, reference V)

6. As per claim 1, SCOR teaches a method for evaluation of business performance, comprising: dividing actionable activities of a business into a plurality of business aspects (Bolstorff, pg. 23, The Scorecard Template, col. 1, dividing actionable activities into customer facing, internal facing, and shareholder facing); establishing a plurality of measures for each business aspect, each of said measures comprising a set of related actionable activities for a respective business aspect (*id.* col. 2, Performance Attribute or Category); establishing a plurality of prime measures for each measure, each of said prime measures quantifying one or more actionable activities from said set of related actionable activities (*id.* col. 3, Level 1 Performance Metrics); and calculating a value of at least one of said prime measures to provide an indication

Art Unit: 3623

of said business performance (Bolstorff, pg. 22, “For each Level 1 performance metric , the template includes a working definition benchmark sources, main Level 2 components, main Level 3 components, and a simple data query used to calculate the actual performance”; *see also* Bolstorff, pg. 23, col. 3, Working Definitions, especially Internal facing and Shareholder facing, which discuss how certain performance measure values are calculated). SCOR does not explicitly teach measures being aggregate or aggregated. Frei teaches this in the analogous art of measuring process performance (pg. 438–440, 3. Analyzing organizational process efficiency, discussing different aggregation methods). It would have been obvious to one having ordinary skill in the art at the time of the invention to modify SCOR for the benefit of enhanced understanding of company’s overall state as well as a benchmark which will aid an organization in taking expedient steps towards improving their processes.

7. As per claim 2, SCOR teaches a method in accordance with claim 1, further comprising: calculating values of each of said prime measures for at least one of said aggregate measures (*see* discussion *supra* ¶ 6). SCOR does not explicitly teach calculating a value of at least one aggregate measure by multiplying said values of each of the prime measures for that aggregate measure together to provide an indication of business performance. Frei teaches the aggregation of individual process measures to arrive at an aggregate overall process performance measure using a plurality of aggregation techniques, including averages, tournament-ranking comparisons, and AHP (Frei, pg. 437, “when there are a group of relative performance measures across a variety of measures, and it is necessary to aggregate these measures, what method of aggregation should be used? Taking an average is the most obvious thing to do, but there are

Art Unit: 3623

several problems with this approach.”; pg. 438–440, 3. Analyzing organizational process efficiency, discussing different aggregation methods including AHP which uses eigenvector calculation for each individual process measure). SCOR in view of Frei does not explicitly teach multiplying the values of each prime measures to arrive at the performance indication value. However, Official Notice is taken that it was old and well known in the art to multiply individual values to calculate an overall composite value. It would have been obvious to one having ordinary skill in the art at the time of the invention to modify SCOR in view of Frei to include the teaching of Official Notice, producing a predictable result that provides the user an enhanced view of overall process performance and a uniform, easy to calculate standard for comparison across enterprises.

8. Claims 3, 4, 5, and 6 recites limitations that stand rejected via the art citations and rationale applied to claim 2, 1, 1, and 1 as discussed above.

9. As per claim 7, SCOR teaches calculating a value of at least one of said prime measures to provide an indication of said business performance. (*see* discussion *supra* ¶ 6) but does not do so from selected subsets. Moreover, neither SCOR nor Frei explicitly teach selecting a subset of said plurality of prime measures for each respective aggregate measure which best defines that aggregate measure for said business. However, Official Notice is taken that selecting a subset of entities representing the best from the whole, taking the cream of the crop so to speak, is an old and well known technique in the art. It would have been obvious to one having ordinary skill in the art at the time of the invention to modify SCOR in view of Frei to include the teaching of

Art Unit: 3623

Official Notice, producing a predictable result that provides the user with a more accurate overall value with which to compare and utilize for prospective decision making.

10. As per claim 8, neither SCOR nor Frei teaches wherein: said selected subset of prime measures for each aggregate measure comprises between five and nine prime measures.

However, selecting a subset of between 5 and 9 measures would have been obvious to try because a person of ordinary skill has good reason to pursue known options within his or her technical grasp, such as experimenting with different sizes and combinations of subsets of optimal performance measures in order to find the most effective and realistic overall combination.

11. Claim 9 recites limitations that stand rejected via the art citations and rationale applied to claim 8 as discussed above.

12. As per claim 10, SCOR teaches at least one industry standard prime measure (Bolstorff, pg. 23, The Scorecard Template, col. 5, Benchmark Sources, for example, listing the different calculation methods of profitability metrics such as gross margin, operating income, net operating income, economic profit, which include industry standard bases. Frei teaches summation of performance measures (*see* discussion *supra* ¶ 6, discussing the averaging aggregation technique) but SCOR in view of Frei does not explicitly add said industry standard measures to at least one of said selected subsets of prime measures. However, Official Notice is taken that it was old and well known in the art to apply standardized values to metrics in

Art Unit: 3623

calculating an overall composite value. It would have been obvious to one having ordinary skill in the art at the time of the invention to modify SCOR in view of Frei to include the teaching of Official Notice, producing a predictable result that provides the user an enhanced view of overall process performance that incorporates generally accepted standards so as to make the result more universally reliable for comparison across enterprises.

13. Claim 11 recites limitations that stand rejected via the art citations and rationale applied to claim 1 as discussed above.

14. As per claim 12, SCOR teaches wherein said plurality of business aspects comprises at least a demand management aspect (Bolstorff, pg. 23, The ScorCard Template, Shareholder Facing, Profitability, Effectiveness of Return, Share, etc), a supply management aspect (*id.* Internal Facing—Supply Chain Cost, Supply Chain Asset Management Efficiency), and a support services aspect (*id.* Customer Facing—Supply Chain Delivery Reliability, Supply Chain Responsiveness, Supply Chain Flexibility).

15. Claims 13–14 list a number of aggregate measures for each business aspect, demand management, supply management, and support services, and associate subsets of prime measures for each aggregate measure. First, all of the enumerated types of measures in these two claims are considered nonfunctional descriptive material and should not be given patentable weight. Nonfunctional descriptive material cannot lend patentability to an invention that would otherwise have been anticipated by the prior art. Claiming different types of measures without a

Art Unit: 3623

functionally different application amounts to mere labeling of data and does not functionally relate to the substrate of the method. See MPEP 2106.01 [R-5]. When descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability (see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994)).

Moreover, Official Notice is taken that (1) the plurality of aggregate measures including a market responsiveness aggregate measure, a sales effectiveness aggregate measure, a product development effectiveness aggregate measure; a customer responsiveness aggregate measure, a supplier effectiveness aggregate measure, an operational efficiency aggregate measure; a human resources responsiveness aggregate measure, an information technology responsiveness aggregate measure, and a finance and regulatory responsiveness aggregate measure; and (2) the plurality of prime measures including target market index, market coverage index, market share index, opportunity/threat index, product portfolio index, channel profitability index, configurability index; sales opportunity index, sales cycle index, sales close index, sales price index, cost of sales index, forecast accuracy, and customer retention index; new products index, feature function index, time to market index, research and development success index; on-time delivery, order fill rate, material quality, service accuracy, service performance, customer care performance, agreement effectiveness, transformation ratio; supplier on-time delivery, supplier order fill rate, supplier material quality, supplier service accuracy, supplier service performance, supplier care performance, supplier agreement effectiveness, supplier transformation ratio; cash-to-cash cycle time, conversion cost, asset utilization, sigma value; recruitment effectiveness index, benefits administration index, skills inventory index, employee training index, human

Art Unit: 3623

resources advisory index, human resources total cost index; systems performance, IT support performance, partnership ratio, service level effectiveness, new projects index, IT total cost index; compliance index, accuracy index, advisory index, and cost of service index were old and well known in the art at the time of the invention. It would have been obvious to one having ordinary skill in the art at the time of the invention to modify GUIDE to include the teaching of Official Notice for the benefit of providing a more robust performance metric analysis. Finally, merely changing the organizational configuration of said measures (such as putting certain measures in the demand category, and others in the supply category, etc) would have been obvious to one of ordinary skill in the art, providing a predictable result of a better organized measurement scheme.

16. As per claims 15–23, Applicant claims that changes in particular prime measures causes a change in at least one other particular prime measure. Essentially, particularized variable or measure dependency is being claimed, applied in a particular configuration. Official Notice is taken that dependency relationships among variables or measures were old and well known in the art at the time of the invention, providing the benefit of enhanced insight and analysis into the properties of each particular metric and its importance with respect to other variables.

Furthermore, since each individual element and its function are either shown in the prior art or old and well known, the difference between the claimed subject matter and the prior art rests not on any individual element or function but in the very combination itself--that is in the particular relationships between recited prime measures, produces a predictable result that renders the claim obvious for the benefit of a more robust performance metric analysis.

17. As per claims 24–54, Examiner posits that applying well known mathematical operators and techniques, such as adding (e.g., calendaring by month), subtracting, dividing, and multiplying, bounding, calculating quotients and plotting on a grid to old and well known and readily available and/or calculable measures [in addition to the well known measures listed above—target market industries, market size, market growth rate, revenue existent countries, total revenue (derived from various financial entities) , market share index, competitor identification, gross margin, annual revenue growth rates, skill set requirements, number of new component items, bill of materials, service availability in hours, number of customer (care, service) requests, customer satisfaction rates, existent and prospective customer contracts and engagements, supplier and business requests, recruitment time and cost, HR timeline information, number of employee skills, employee position information, HR project information, number of planned strategic initiatives, system availability expected and actual, support requests, existing and prospective project data, filings and transactional data] to calculate particular performance indices would have been obvious to one having ordinary skill in the art at the time of the invention, producing a predictable result that enhances the accuracy, reliability and comprehensiveness of the overall performance measure.

18. As per claim 55, SCOR teaches: applying at least one of said prime measures to at least one of return on investment analysis, linking vision to action, IT to business alignment, external reporting, strategic alliances, due diligence, incentive compensation plans, business activity monitoring, monitoring service level agreements, and supplier ratings (Bolstorff, pg. 23, The Scorecard Template, Shareholder Facing, Effectiveness of Return, Return on Investment).

19. Claims 56, and 57, recite limitations that stand rejected via the art citations and rationale applied to claim 1 as discussed above.

20. As per claim 58, SCOR teaches externally reporting at least one of said calculated prime measures (pg. 25, How many SCORcards, discussing reporting capabilities of companies using prime performance measures).

21. Claims 59–60 are rejected under 35 U.S.C. 103(a) as being unpatentable over SCOR in view of Frei further in view of Huang et al., U.S. Patent No. 5,953,707 [hereinafter Huang]. (*see* attached PTO-892, reference A)

22. As per claim 59, SCOR in view of Frei does not explicitly teach a computerized system configured to implement the method of claim 1. Huang teaches this in the analogous art of supply chain management systems (Huang, Figs. 1–2, refs. 12, 14, 18, and 24; col. 4, line 45—col. 6, line 8). It would have been obvious to one having ordinary skill in the art to modify SCOR in view of Frei to include the teaching of Huang for the benefit of enhanced processing time and resultant reduction of necessary time and resources.

23. As per claim 60, SCOR in view of Frei teaches the aggregate and prime measure aspects of this claim (*see* discussion *supra* ¶ 6). SCOR in view of Frei does not explicitly teach the computer hardware aspects of the claim including a database, user interface, and processor. Huang teaches this in the analogous art of supply chain management systems (*see* discussion *supra* ¶ 22). It would have been obvious to one having ordinary skill in the art to modify SCOR in view of Frei to include the teaching of Huang for the benefit of enhanced processing time and resultant reduction of necessary time and resources.

Conclusion

24. Any inquiry concerning this communication or earlier communications from the examiner should be directed to JUSTIN M. PATS whose telephone number is (571)270-1363. The examiner can normally be reached on Monday through Friday, 8:00am - 5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Beth Van Doren can be reached on 571-272-6737. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Justin M Pats/
Examiner, Art Unit 3623

/Beth Van Doren/
Supervisory Patent Examiner, Art Unit 3623